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FINANCING A CITY PLAN

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It seems rather odd that intelligent people living in rich and growing cities should have been so slow to realize that the orderly development of such cities requires something more than a scheme of rectangular blocks of certain conventional size and shape with an occasional open space and a few extra wide streets thrown in. They are, however, beginning to understand that something more in the way of a plan is needed, and that the problem is one to the solution of which the most expert skill, the widest experience and the most careful study of economic and social conditions must be devoted. This awakening was first evidenced by efforts to correct defects in cities as they already existed. This required courage and involved enormous expense, often so great that the task seemed hopeless, and not infrequently interest waned and disappeared. Curiously enough, the idea that if old defects could not be corrected a repetition of the mistakes could be avoided was slow to take hold. With all the talk about and interest in city planning, most of our cities have gone ahead consistently repeating their old blunders and failing to profit by them. Having found that the correction of mistakes was costly, perhaps they thought, if they thought at all, that the avoidance of further mistakes would also be expensive, or at least that a good plan which would make intelligent provision for future development would cost more than the kind of plan with which they were familiar. That such a plan would be worth more, is not a debatable question. But would it cost more? It need not, and it might cost less.

To discuss the relative merits of different kinds of treatment is beyond the scope of this paper, which is to deal only with the question of how the expense of carrying out a proper plan is to be met. In considering this question, the cost of carrying out a plan will be considered, not the cost of its preparation. Considerable money may be spent upon the preparation of a plan, but it will be trifling in comparison with the cost of carrying it out. Let me say in passing that continuous study of the past growth of the city, of the movement

of its population, the changing of land values, and other details of this character, will often prove of more real value in determining the plan for future growth than the inspiration of experts called in for the occasion who are expected to solve the problem in offhand fashion and submit a solution within a month or so. Emphasis may be placed upon one general principle which should control the development of a plan for future growth, for it will have an important bearing upon the manner in which the cost of carrying it out is to be met. That principle is this: The plan should include a general system of arterial streets which will permit easy movement from any part of the city to any other part; it should recognize the vital necessity of transportation by water or rail or both, as the case may be, and should provide for the creation and expansion of railway and shipping terminals and the connection of different terminals and for the development of manufacturing plants which can be readily served by these transportation lines; it should provide for open spaces for healthful recreation, not concentrated in one part of the area under consideration, but so distributed as to be within easy reach of the future population; it should so arrange the main thoroughfares that public or semi-public buildings may be so placed when the time comes for their erection that they will be not only convenient of access, but that they can be seen, assuming that they will be of such a character that they should be seen and not be hidden away. So much the plan should include and little, if any, more. The precise location and dimensions of every subordinate residential street should not be placed upon the plan at this time. The larger the areas between main streets, the more readily can they be adapted to such detailed planning as seems best when the time arrives. The more latitude allowed for variety of treatment within such areas, the more attractive and the more livable will this part of the city be. In most American cities the conventional lot unit is a rectangle 25 feet wide and 100 feet in depth. Is that the most rational and the most economical unit for this purpose? It has become a habit, but is it anything more? Will it be considered the most advantageous size and shape of lot twenty years from now? It is at least doubtful. Why, then, fill in the details of the plan to such an extent as to force upon the next generation a development which may prove undesirable and uneconomical? The natural drainage areas will control to a large degree the location and direction of the main streets.

The main sewers which will be built in them will provide for a certain estimated population and a certain proportion of impervious area, and this will not be materially affected by the kind of subdivision which will ultimately take place. Meanwhile, individual developers of real estate may plan and carry out improvements according to their own ideas and to meet the public demand, provided always (and this proviso is of the utmost importance) that their plans for such developments shall first be submitted to and approved by some authority which shall exercise a wise discretion and be clothed with ample power to enforce its requirements.

In considering the manner in which the cost of carrying out such a plan is to be made, namely, the cost of the acquisition of the land needed for streets, open spaces, parks, sites for public buildings, etc., and of the physical construction and improvement of the streets, one fundamental principle may be laid down, and that is that the burden of cost shall be in proportion to the benefit. In trying to apply this general principle we are at once confronted with a great variety of conditions. In the small town—and no town is so small that it does not need a plan—the creation of a public square about which or in which the chief buildings, including, perhaps, the churches, are to be grouped, is of general interest and benefit to the entire community. All public activities, and even recreation and amusements, will center there, and it will be conceded that the town itself should properly pay the expense. The most valuable property will be that fronting upon this square, so that if its creation results in special benefit to the surrounding property, that property will bear a correspondingly large burden. If the main street of the town needs a widening, straightening or extending, the benefit will again apply to the entire community.

But the town grows and becomes a city. Other main streets must be provided, other centers of activity or recreation are needed. These new projects will still result in some general benefit but in a large measure of special benefit. The effect upon the property in their neighborhood will be proportionately greater and more exclusive than in the case of the first village green or town square. The entire community will doubtless feel the benefit of the new improvement but in less degree, as it tends to create a new centre and diffuse, rather than concentrate, business and other activities. The town can still afford to contribute toward the expense, but the fair proportion to

be assumed by it will be less in proportion to the amount of special benefit resulting to the particular locality. The ability of the town or city to contribute toward the expense of such undertakings will vary in different cases, depending upon the other burdens which it may have assumed or to which it may have pledged its credit, depending upon whether the city is deriving substantial revenue from privileges granted to public service or other corporations or individuals, depending upon whether it is conducting certain activities at a profit or whether they are being conducted at a loss for the benefit of the public using them, and depending especially upon whether the city has already borrowed to such an extent that an issue of further obligations would be likely to impair its credit. Again, it remains for the town or city to determine, if it is to pay all or a portion of the cost of any particular improvement, and even if its credit is such that it can borrow the funds necessary, whether it will issue its bonds for a long term of years, or whether it will carry out the improvement on a cash basis by providing for it in one or more tax levies or by short-term bonds which will be retired soon after the completion of the work.

A large city is really a group of towns or smaller cities which have grown together. While there are certain great projects that are commonly deemed to be of general interest, there are few which do not involve some special benefit to a particular locality. If a new park is to be created, it needs no argument to prove that the property in its immediate vicinity will acquire a fixed character and that its value will be substantially increased. If a new and important public building is to be erected, there will be much interest in the selection of the site, and as soon as it is determined it will have a marked influence upon the property in its neighborhood, and it would not be difficult to give instances where, before the building was completed, the value of the surrounding property had at least doubled, especially if the public building is surrounded by considerable open space. If the city were, as some of our great cities now do, to construct a new rapid transit line bringing hitherto vacant lots within easy access of its business center, or if it were to provide a new waterway permitting docks and basins to be created in hitherto inaccessible swamps or lagoons, the effect upon these suburban lots and useless swamps can readily be foreseen. Now, if the property in the neighborhood of the new park, the new public building, the new rapid

transit line or the new waterway is to be increased in value by some act of the city, and if the owners of this property are to be enriched by this act, is it fair or just that these owners shall contribute no more per unit of assessed value toward the cost of the improvement which is to enrich them than do the owners of other property more slightly if at all, affected? To determine the precise amount of benefit will be well nigh impossible, but the recognition of the fact of the benefit and of the obligation to pay a special share of the cost in return for that benefit seems only a question of elementary justice.

In case of local streets having a width of 60 feet or less, it would be difficult to show any but local benefit, as such streets are designed to furnish light, air and access to the abutting property, and that property could fairly be required to pay the entire cost of the acquisition and improvement of the street.

A word as to the expense of acquiring streets. This is one of the most serious burdens placed upon the urban property owner, and it is difficult to understand why the taking for street purposes of a strip of land needed to give access to lots fronting upon the proposed street should involve payments at city lot prices for the land so taken when, unless it be taken, both it and the abutting lots would be nothing but acreage property. The city of Liverpool has had since 1908 a law which enables the city to take land for street purposes up to a width of 36 feet without compensation, while if the municipal authorities determine that in the case of a principal street 80 feet is required, no compensation need be made except for land taken in excess of 80 feet. This law, however, applies only to cases where the land to be taken and that which will abut upon the new street are in the same ownership and the owner will simply be furnishing the land to provide access to his own property.

But we are getting ahead of our story. In the case of main streets, which should be the first ones to be laid out and acquired, it is assumed that these will be of generous width for the reason that they will be used for neighborhood business and will accommodate neighborhood and even through traffic. The benefit derived from them will, therefore, be somewhat more than local, and the expense of their acquisition and improvement could be distributed over a somewhat greater area. In some cases there may be such general benefit as to justify the assumption of a part of the expense by the entire city.

To determine the exact proportion to be assessed upon the frontage, the part to be spread over a larger area, and the portion, if any, to be taken by the city at large, will often be difficult. The plan proposed by the writer, which appears to have met with quite general approval, is to assess upon the immediate frontage the entire cost of acquiring local streets up to a width of 60 feet. A street more than 60 feet wide will undoubtedly be somewhat more valuable to the abutting property, and the owner of that property should not, therefore, be relieved of all expense of acquiring a width greater than 60 feet. A fair division would be to assess upon the frontage that proportion of the cost of the wider street represented by the ratio of 60 feet plus one-fourth of the excess in width over 60 feet to the total width of the street, provided, however, that when the abutting property shall have been assessed for the equivalent of 80 feet in width of any street, no further local assessment be levied. A secondary area of benefit could properly extend half the distance to the next wide street, but the assessment should be decreased as the distance from the street increases.

The suggestions already made obviously apply to the location of new streets in territory slightly, if at all, developed. Sometimes a new main street will follow an old road which must be widened, involving damage to buildings, and a more generous treatment is needed. In applying the rule above given, it has been suggested that in such cases it would be fair to estimate separately the value of the land to be taken and the damage to the buildings and to add to the width of the street to be acquired a percentage equivalent to the ratio of the estimated building damage to the estimated land cost, obtaining an equated width of street to be used as above in determining the amount of frontage assessment and the amount to be placed upon a larger district.

But sometimes it will be necessary to cut through new and to widen old streets in the built-up portions of the city. In such cases the width of the street may not be an index of the local or general benefit which will follow. It may be that the cutting through of a 60 foot or even a 50 foot street will result in little local and of large general benefit. In these cases the amount of local assessment might fairly be determined by the land value only, the damage to buildings being included in the assessment to be spread over the larger area of benefit, or even in some cases to be assumed by the entire city. Such

projects might sometimes be in part or wholly financed by buying all of each parcel disturbed or one or more entire tiers of lots and selling the frontage on the new or widened street. The damages paid for taking portions of lots are likely to approximate the actual value of the whole plot, although the owner may be left with a remnant which he could sell for more than the value of the entire lot before the improvement. For the city to take advantage of the increase in value caused by its own act seems only fair. This would, of course, involve a larger capital outlay, and it would also require the right of excess condemnation, a right which is possessed by very few cities in this country and which appears to be reluctantly granted by state legislatures. But this is a big subject worthy of a special article, and cannot be discussed in this connection.

The aim of the writer is simply to make it clear that the cost of carrying out a rational city plan is not prohibitive and is within the reach of almost every city if the fundamental principle of distributing the cost according to benefit is consistently adhered to. A policy which is manifestly just will ultimately win popular favor provided it is consistently followed. The details of the plan for distributing the expense will vary in different cities, and no plan should be adopted until it shall have been carefully worked out and tested as to its fairness. Even then there will inevitably be special cases which will require special treatment, but efforts to secure special treatment for cases which are not exceptional, unless it be as to the position and political importance of the owners of the property affected, should be stoutly resisted, however powerful may be the influences exerted to that end.

In a paper presented to the Fourth National Conference on City Planning held in Boston in 1912, the writer laid down a few general principles which he believed should govern the distribution of the cost of city improvements. He has seen no good reason to modify them, and they will be repeated as the conclusion of this discussion.

1. Where there is local benefit, there should always be local assessment.

2. The entire city or the metropolitan district should bear no part of the expense unless the improvement is in some degree of metropolitan importance and benefit.

3. Assessments should not be confined to the cost of acquiring and improving streets, but should extend to any improvement which

will increase the value of the neighboring property, and should be apportioned as nearly as possible according to the probable benefit.

4. A workable policy once adopted should be consistently adhered to.

5. The determination of a policy and its application to each case should be entrusted to a permanent technical bureau or to a board composed of men especially qualified, whose terms of office should so overlap as to insure continuity of policy and purpose.